

Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

| | | |
|---|---|--------------------------|
| LRB Number 09-0172/2 | Introduction Number AB-0701 | |
| Description The Interstate Insurance Receivership Compact, investment guidelines for charitable gift annuity segregated accounts, Health Insurance Risk-Sharing Plan assessment participation, reciprocity for long-term care insurance policies, voting by fraternal members, the insurance security fund, modifications to motor vehicle insurance policy and umbrella and excess liability policy requirements, providing an exemption from emergency rule procedures, and granting rule-making authority | | |
| Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <div style="margin-left: 20px;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <div style="margin-left: 20px;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> </div> </div> <div style="width: 33%;"> <input type="checkbox"/> Decrease Costs </div> </div> | | |
| Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="margin-left: 20px;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> </div> <div style="width: 33%;"> <div style="margin-left: 20px;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Cities <input type="checkbox"/> 0 </div> </div> </div> </div> | | |
| <div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </div> <div> Affected Ch. 20 Appropriations </div> </div> | | |
| Agency/Prepared By DHS/ Carrie Schneck (608) 266-5362 | Authorized Signature Andy Forsaith (608) 266-7684 | Date 3/23/2010 |

Fiscal Estimate Narratives

DHS 3/23/2010

| | | | | | |
|--|-----------|---------------------|---------|---------------|----------|
| LRB Number | 09-0172/2 | Introduction Number | AB-0701 | Estimate Type | Original |
| Description The Interstate Insurance Receivership Compact, investment guidelines for charitable gift annuity segregated accounts, Health Insurance Risk-Sharing Plan assessment participation, reciprocity for long-term care insurance policies, voting by fraternal members, the insurance security fund, modifications to motor vehicle insurance policy and umbrella and excess liability policy requirements, providing an exemption from emergency rule procedures, and granting rule-making authority | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

The Wisconsin Long Term Care Partnership Program began on January 1, 2009. Individuals who purchase qualified Long-Term Care Insurance Partnership policies receive initial long-term care coverage from their private insurance carrier. If individuals subsequently seek Medicaid coverage for their long-term care needs, the amount of benefits received under the policy is disregarded as an asset when determining eligibility for Medicaid. Current law allows this disregard solely for qualified policies purchased in Wisconsin. Senate Bill 516 would extend this disregard to qualified long-term care policies purchased in another state.

Long-term care policies are generally purchased well in advance of the need for long-term care. For this reason, this bill is not expected to have a fiscal impact on the Wisconsin Medicaid program in the next few years.

Long-Range Fiscal Implications

The long-term fiscal impact cannot be estimated at this time due to the relative newness of this type of exemption; data are not yet available to produce an estimate of the potential number of Medicaid enrollees who would own a qualified long-term care insurance partnership policy. The number of such policies purchased is dependent on the affordability of those policies for people who might later apply for Medicaid.

Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

| | | |
|--|---|--------------------------|
| LRB Number 09-0172/2 | Introduction Number AB-0701 | |
| Description The Interstate Insurance Receivership Compact, investment guidelines for charitable gift annuity segregated accounts, Health Insurance Risk-Sharing Plan assessment participation, reciprocity for long-term care insurance policies, voting by fraternal members, the insurance security fund, modifications to motor vehicle insurance policy and umbrella and excess liability policy requirements, providing an exemption from emergency rule procedures, and granting rule-making authority | | |
| Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex;"> <div style="width: 50%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 50%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> </div> </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Cities </div> </div> </div> </div> | | |
| <div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </div> <div> Affected Ch. 20 Appropriations </div> </div> | | |
| Agency/Prepared By OCI/ Jim Guidry (608) 264-6239 | Authorized Signature Sean Dilweg (608) 266-3585 | Date 2/10/2010 |

Fiscal Estimate Narratives

OCI 2/10/2010

| | | | | | |
|--|-----------|---------------------|---------|---------------|----------|
| LRB Number | 09-0172/2 | Introduction Number | AB-0701 | Estimate Type | Original |
| Description The Interstate Insurance Receivership Compact, investment guidelines for charitable gift annuity segregated accounts, Health Insurance Risk-Sharing Plan assessment participation, reciprocity for long-term care insurance policies, voting by fraternal members, the insurance security fund, modifications to motor vehicle insurance policy and umbrella and excess liability policy requirements, providing an exemption from emergency rule procedures, and granting rule-making authority | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

AB 701 will lower reinstatement fees charged to insurance intermediaries. The current fee for reinstating an intermediary license is an amount equal to the fee for a new resident license. The change to AB 701 would reduce the reinstatement fee to an amount equal to twice the license renewal fee. OCI estimates that approximately 100 agents with an average of two lines of authority will require license reinstatement monthly. The charge to reinstate a license is \$75 per line of authority which results in a total of \$180,000 in estimated annual revenue. By changing the reinstatement fee to twice the renewal fee the annual revenue is estimate to be \$84,000. The change results in a decrease in estimated revenues by \$96,000.

AB 701 creates a \$10 electronic application fee for filing an original electronic resident application following successful completion of any required prelicensing education or examinations. OCI estimates that 500 electronic applications will be filed each month for a total of 6000 applications per year. The fee will generate \$60,000 in annual revenues to pay for current issuance costs.

The combined effect of of each fee change lowers overall agency revenues by \$36,000 which can be absorbed by the agency.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

| | | |
|--|---|------------------|
| LRB Number 09-0172/2 | Introduction Number AB-0701 | |
| Description The Interstate Insurance Receivership Compact, investment guidelines for charitable gift annuity segregated accounts, Health Insurance Risk-Sharing Plan assessment participation, reciprocity for long-term care insurance policies, voting by fraternal members, the insurance security fund, modifications to motor vehicle insurance policy and umbrella and excess liability policy requirements, providing an exemption from emergency rule procedures, and granting rule-making authority | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | |
| | | |
| II. Annualized Costs: | | |
| Annualized Fiscal Impact on funds from: | | |
| | Increased Costs | Decreased Costs |
| A. State Costs by Category | | |
| State Operations - Salaries and Fringes | \$ | \$ |
| (FTE Position Changes) | | |
| State Operations - Other Costs | | |
| Local Assistance | | |
| Aids to Individuals or Organizations | | |
| TOTAL State Costs by Category | \$ | \$ |
| B. State Costs by Source of Funds | | |
| GPR | | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | |
| | Increased Rev | Decreased Rev |
| GPR Taxes | \$ | \$ |
| GPR Earned | 6,000 | -9,600 |
| FED | | |
| PRO/PRS | 54,000 | -86,400 |
| SEG/SEG-S | | |
| TOTAL State Revenues | \$60,000 | \$-96,000 |
| NET ANNUALIZED FISCAL IMPACT | | |
| | State | Local |
| NET CHANGE IN COSTS | \$ | \$ |
| NET CHANGE IN REVENUE | \$-36,000 | \$ |
| | | |
| Agency/Prepared By | Authorized Signature | Date |
| OCI/ Jim Guidry (608) 264-6239 | Sean Dilweg (608) 266-3585 | 2/10/2010 |